

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2749 – SB 2913

March 6, 2012

SUMMARY OF AMENDMENT (013969): Deletes all language after the enacting clause. Authorizes the court to order a person convicted of violating implied consent law to operate a motor vehicle that is equipped with a functioning ignition interlock device (IID) with or without geographic restrictions. Prohibits the use of state funds to provide such person with an IID.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – \$21,400/General Fund
Increase State Expenditures – \$160,000/Interlock Assistance Fund

Increase Local Revenue – \$9,000

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue – Up to \$21,400/General Fund

Increase Local Revenue – Up to \$9,000

Assumptions applied to amendment:

- The court will still be authorized to continue current orders for use of restricted licenses.
- The number of additional ignition interlock devices with non-restricted licenses that the court will order to be used as a direct result of this bill as amended cannot be reasonably determined. The following assumptions represent a maximum for all implied consent offenders.
- According to the Department of Safety (DOS), updating policies and procedures for the requirements for issuance of a restricted license will not have a significant fiscal impact on state expenditures.
- Tenn. Code Ann. § 55-10-403 requires the use of an IID for implied consent violations if the person had a conviction of implied consent, underage driving while impaired, the open container law, or reckless driving with DUI within the last five years.

- Under current law, every DUI offender is required to pay an ignition interlock fee of \$40. Implied consent violators are not required to pay this fee; therefore, no impact to fee revenue allocated to the Interlock Assistance Fund (IAF).
- Any increase in the number of restricted license applicants due to the deletion of geographic restrictions will be offset by a decrease due to those who decline to comply with the requirement to use an IID. Any net impact will be not significant.
- According to DOS, 788 restricted licenses were issued to implied consent violators. Approximately 157 implied consent violators are required to obtain an IID under current law.
- Up to an additional 631 (788 total – 157 currently required) implied consent offenders could be required to use an IID; however, 20 percent of any such offenders will be declared indigent and not eligible for assistance under this bill as amended.
- Up to 126 (631 x 20%) indigent offenders will not obtain an IID.
- The maximum cost of installing and maintaining an IID for 12 months as required by current law is \$1,270.
- The amount of taxable sales from the sale and lease of IID equipment will be an amount up to \$641,096 (631 offenders x 80% non-indigent x \$1,270). Approximately 50 percent of these taxable sales will occur in the absence of this bill.
- Pursuant to Tenn. Code Ann. § 67-6-103(a)(3)(A), local governments receive 4.5925 percent of state sales tax revenue as state-shared sales tax revenue.
- The current state sales tax rate is 7.0 percent; the average local option sales tax rate is estimated to be 2.5 percent.
- The net recurring increase in state revenue is estimated to be an amount up to \$21,408 $[(\$641,096 \times 50.0\% \times 7.0\%) - (\$641,096 \times 50.0\% \times 7.0\% \times 4.5925\%)]$.
- The total recurring increase in local revenue is estimated to be an amount up to \$9,044 $[(\$641,096 \times 50.0\% \times 2.5\%) + (\$641,096 \times 50.0\% \times 7.0\% \times 4.5925\%)]$.
- According to the Department of Safety, any increase in workload for certifying installers and monitoring offenders can be handled within existing resources.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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